

TARHEEL ARMY MISSILE PLANT

Local Redevelopment Information



City of Burlington Contact Information:

City Manager's Office:	336.222.5022
Planning & Community Development:	336.222.5110
Engineering:	336.222.5050
Building Inspections:	336.222.5080
Public Works:	336.222.5005
Utilities:	336.222.5130
Chamber of Commerce:	336.228.1338

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FAST FACTS

CURRENT ZONING (TRACT 1):

Light Industrial

CURRENT ZONING (TRACT 2):

Office-Institutional &
General Business

WATER AVAILABILITY:

N. Church St.: 10-inch line
N. Gr-Hop Rd.: 8-inch line
Martin St: 6-inch line

SANITARY SEWER AVAILABILITY:

Yes, both tracts
East Burlington WWTP
(Private line on Tract 1 also
feeds into city system)

NC STATE DEVELOPMENT ZONE

Yes (See page 2 for info)

UNIVERSITIES & 4-YEAR COLLEGES

6 Public institutions and 13
private institutions within a
50-mile radius including (in
road miles):

Elon University: 6 miles
UNC-Chapel Hill: 30 miles
Duke University: 31 miles
NC State University: 53 miles
Wake Forest Univ.: 56 miles

Zoning Map



DEMOGRAPHICS & TRANSPORTATION

CITY OF BURLINGTON POPULATION:	46,322	(7/1/02 estimate)
ALAMANCE COUNTY POPULATION:	136,144	(7/1/02 estimate)
POPULATION WITHIN 1-MILE OF SITE:	12,200	(Census 2000 estimate)
2001 TRAFFIC COUNTS:	N. Church St. (US Hwy 70): 20,000 - 22,000 N. Graham-Hopedale Rd.: 9,900	
AIRPORTS:	36 miles from Piedmont Triad International (future FedEx hub) and 44 miles from Raleigh-Durham International.	
INTERSTATES:	2.75 miles from Interstate 40/85	

William S. Lee Quality Jobs & Business Expansion Act

This legislation, enacted in 1996 and amended in 1998, provides tax credits that may be taken against state income, franchise, or gross premiums tax burdens. These credits for job creation, investment, worker training, and research and development are available in all 100 counties and based upon a county's level of economic distress. (Alamance County is presently designated as Tier 5--least amount of economic distress. However, State Development Zone designation entitles eligible companies to tax credit enhancements.)

Eligible companies will meet certain wage standards, depending on the type of credit applied for; and fall into a select NAICS codes. In general, eligible companies are those involved in establishing a central office or aircraft facility, air courier services, data processing, manufacturing, warehousing, wholesale trade, computer services, or a customer service center (additional requirements must be met). The taxpayer must provide health insurance to all full-time employees and pay at least 50% of the health insurance premiums. In addition, the taxpayer must not have any significant violations with the North Carolina Department of Environment and Natural Resources in the past five (5) years and no outstanding citations or serious violations under the Occupational Safety and Health Administration (OSHA) in the past three (3) years.

Tax Credit Overviews

Credit for Creating Jobs Overview:

Eligibility: Meet all general eligibility requirements, have five or more full-time employees and hire an additional full-time employee during the year to fill a position located in this State.

Credit Amount: \$500.00 per employee (Tier 5).

Credit for Investing in Machinery and Equipment Overview:

Eligibility: Meet all general eligibility requirements,

purchase or lease eligible machinery and equipment and place the eligible machinery and equipment in service during the taxable year.

Credit Amount: 4% of eligible investment over the threshold of \$2,000,000.00 (Tier 5).

Credit for Research and Development Overview:

Eligibility: Meet all general eligibility requirements and claim for the taxable year the federal income tax credit for research and development under section 41(a) or section 41(c)(4) of the Internal Revenue Code.

General R&D Credit Amount: 5% of the State's apportioned share of the taxpayer's expenditures for increasing research activities (All Tiers).

Alternative R&D Credit Amount: 25% of the State's apportioned share of the federal credit claimed.

Credit for Worker Training Overview:

Eligibility: Meet all general eligibility requirements and provide worker training for five or more of its eligible employees during the taxable year.

Credit Amount: Equal to wages paid to eligible employees during training, not to exceed \$500.00 per employee (Tier 5).

Credit for Investing in Central Office or Aircraft Facility Property Overview:

Eligibility: Meet all general eligibility requirements, purchase or lease real property in NC and begin to use property as a central office or an aircraft facility during the taxable year.

Credit Amount: 7% of eligible investment amount, not to exceed \$500,000.00 (All Tiers).

For official information on all available credits, eligibility requirements and the Lee Act, visit the NC Department of Commerce's Finance Center at: "<http://www.nccommerce.com/finance/incentives/tax/>".

State Development Zone

Both Tract 1 (Census Tract 203, Block Group 2) and Tract 2 (Census Tract 203, Block Group 3) of the Tarheel Army Missile Plant are located within Burlington's State Development Zone #42. (Current Burlington designation good through 12/31/2004.)

Companies eligible for tax credits under the William S. Lee Act gain additional enhancements when located in a designated development zone. These enhancements are effective January 1, 1999 for tax years beginning on or after January 1, 1999.

- For purposes of the wage standard test, the company must meet only 100% of the county's wage average weekly wage figure.
- Machinery and equipment investment threshold is reduced to zero.
- There is an additional \$4,000 tax credit per eligible job created.
- Up to \$1,000 tax credit may be claimed for each eligible worker trained.

City of Burlington

Economic Development Policy (1/20/04)



I. OVERVIEW

In order to expand economic development options for the City of Burlington that could diversify or expand the tax base, offer improved employment opportunities for its citizens and promote the economic growth and welfare of the business and industrial community, the City Council would establish inducement guidelines to encourage new industry location decisions within the City, as well as to assist existing industrial expansions.

II. PROGRAM PARAMETERS

The Burlington Incentive Policy involves a contractual agreement between the City of Burlington and a new or existing industry that would allow for a financial incentive based on the criteria established in Part III of this document. The City will require the industry to be current in payment of any and all taxes, fees and/or charges for an incentive to be paid. The City will require, as a part of the contractual agreement, a provision for reimbursement of any incentives to the City if any terms of the contract are not met. Any and all guidelines in the Incentive Policy shall be subject to G.S. 158-7.1. Each project will be evaluated and negotiated on an individual basis by City Staff using the City of Burlington's guidelines. City Council will be kept apprised of negotiations. Changing economic conditions may necessitate the City Council to modify, amend, or even terminate the incentive policy subject to compliance with any incentives in effect at that time. All decisions are based on availability of funds.

III. INCENTIVE POLICY CRITERIA

- A. Incentives will be available to new and existing industries. Existing industries qualify only for that portion of expansion that represents "new" investment.
- B. Investment for a new industry requesting an incentive should be \$8,000,000 taxable value in buildings and/or equipment.
- C. Investment for an existing industry requesting an incentive should be \$1,500,000 in taxable value in building expansion and/or equipment.
- D. The project for either new or existing industries must not have been started prior to the request for the incentive.
- E. Creation of jobs through either new development or expansion must have a wage rate equal to or greater than the average hourly wage of all industry in the county as established quarterly by the Employment Security Commission.¹
- F. The payback period for any and all incentives shall be no longer than five (5) years.
- G. No incentives are being recommended for commercial/retail-type businesses at this time, but could be explored in the future if deemed necessary.
- H. Incentives will be paid after current year ad valorem taxes are paid by the requesting industry.
- I. Other criteria for consideration may include but are not limited to: site specific issues that have an impact upon local infrastructure responsibilities, site specific issues that have an impact upon other local resources such as public safety, public works, etc.
- J. The industry meeting the criteria and desiring the incentive shall apply in writing.
- K. Upon request by an applicant industry and after taking into consideration the importance of proposed investments by an applicant industry to the local economy under the current circumstances, subject to the approval of the City Council, the foregoing criteria may be modified and/or waived in order to qualify an applicant industry in those instances where documentation is presented by the applicant industry that a significant number of sustainable jobs will be created and substantial capital investments, in addition to the initially proposed investments, are scheduled for implementation in the immediate future.
- L. The industry must enter into a binding economic development contract with the City of Burlington and is therefore subject to any reporting or repayment (clawback provision) requirements contained therein.
- M. City Council will hold the necessary public hearings as required under statute and approve the signing of the contract between the City and the requesting industry.

¹ The average hourly wage according to the Employment Security Commission includes all paid employees of an insured industry.



City of Burlington Economic Development Policy (cont.)

IV. INCENTIVES

- A. Incentives in the amount of a minimum of one per cent (1%) of the total investment of new or expanded tax base.¹ (These funds will be paid from ad valorem taxes created by the new or expanded tax base from an Economic Development Fund.)
- B. Other incentives could be in the form of infrastructure such as streets; environmental testing/site mitigation; clearing, grading and erosion control measures; water and/or sewer line extensions.

V. CORPORATE HEADQUARTERS INCENTIVE CRITERIA

The City will provide a one-half percent (0.5%) higher incentive to corporate headquarters if the project meets the following criteria:

- A. Corporate headquarters means the building or buildings that the principal executive officers have designated as their principal office. [See North Carolina G.S. 55-1-40 (17)]. The City requires that the corporate headquarters have at least fifty (50) or more full-time employees who are located in that building or buildings.
- B. The headquarters and/or expansion must be located within the corporate limits of the City of Burlington. If the project is an expansion, the expansion must employ fifty (50) or more full-time employees.
- C. The project must meet all other criteria as listed in Part III of this document.
- D. Incentives will be paid after all taxes, fees and charges due the City are paid.

¹ Alamance County generally uses 1 to 1 ½ % as incentive amounts.